

# CHARITABLE GAMING HIGHLIGHT\$

2006 Volume 19, No. 1



## Halls Meeting the Challenge

Representatives from the Charitable Gaming Division have been meeting with licensed hall owners and managers around the state. This networking has been invaluable, providing an enthusiastic exchange of information and suggestions relating to the bingo industry.

Late last summer, licensed halls were given an unannounced evaluation. This benchmark evaluation served two purposes—1) to provide us with a snapshot of strengths and weaknesses in licensed halls; and, 2) to test the effectiveness of the evaluation form.



Crane games and ATM at Shamrock Hall

Maintaining a hall is never ending—ceiling tiles are stained by cigarette smoke; walls get bumped, scraped, and smudged; chairs and tables get marred and damaged; flooring becomes worn, burned, and stained; and equipment occasionally needs to be replaced. In addition, utility costs have skyrocketed. Despite this, many hall owners and managers are taking the initiative to not only maintain their building and furnishings, but are investing in better signage, increasing the size of their monitors, planning for non-smoking areas, providing conveniences for their

players, and upgrading the exterior of their buildings.

The evaluation form has been revised to more effectively rate the hall in the most important areas. The revised form will soon be mailed to hall owners and managers in the near future so that they can prioritize future updates.

Inspectors will be scheduling the next evaluations for August and September. It is imperative that the hall owners and managers work with the inspector on scheduling a time to meet for the evaluation. Scores from the new evaluations will influence the maximum allowable rent a hall can charge.

In hopeful anticipation that linked bingo will become a reality, we expect to see an increase in new players across the state. And while halls are preparing for that first impression, many bingo licensees will need to work on developing stronger customer relations, ensuring all who are involved with the players are helpful and friendly. There is only one opportunity to make a first impression—use it well.



Entrance to the PRCU 162 in Wyandotte.




With the construction season upon us, the Michigan Department of Transportation has provided a road repair map that will help you locate major road and bridge projects on state roads. The map covers state trunkline (I, M, and US) routes. Separate Detroit and Grand Rapids maps detail construction projects on state roads in these cities.

To view major road construction, visit their website at [www.michigan.gov/mdot](http://www.michigan.gov/mdot).

In light of the season, the Michigan Lottery's Charitable Gaming Division has released Michigan Under Construction, offering a unique prize structure with three prizes of \$180 and a one in five chance for a winning ticket.

This game will add a lot of variety to your mix. Early feedback indicates Under Construction is a welcomed change. Avoid the traffic jam by ordering your box today!



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## Did You Know???



The bingo game program must include the price of paper!

For a list of all required items, see Bingo Rule 315 (1).

Bingos may provide workers with up to \$5 in food and drink in addition to their worker compensation per Bingo Rule 327 (9).





## Newest Face in CG

We would like to introduce you to Katherine Henney — our new word processing assistant. Katherine is usually the first person to answer the phone when you call our office. Some of her job duties include entering charity game ticket sales data submitted by the suppliers, entering financial statements, and entering license applications.

Katherine joined the Charitable Gaming Division from the Michigan State Housing Development Authority. If you call our office, feel free to say “Hi!” to her.

## Raffle Application Gone Digital

We are pleased to announce we have a computerized raffle application on our website. It’s as easy as completing the application on-line, printing it, and then mailing it into our office. Typed applications are much easier for staff to read and we encourage everyone to use the on-line computerized application.



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### RAFFLE LICENSE APPLICATION

For Business Use Only

ALLOW 4 WEEKS FOR PROCESSING.  
PLEASE PRINT OR TYPE IN BLUE OR BLACK INK.

<b>Q U A L I F I C A T I O N  I N F O R M A T I O N</b>	1. Organization Name		2. Organization ID Number or Last License Number issued	
	3. Organization Street Address			
	Organization Mailing Address			
	City	State		
4. Has your organization ever received a license such as bingo, millionaire's party, raffle, charity game board, or numeral game?				
<input type="checkbox"/> Yes - Complete application and submit with the appropriate fee. <input type="checkbox"/> No - Please follow the instructions on the qualification guideline. If a guideline was not included or you do not understand it, contact our office at (517) 335-5760 to inquire as to what documentation must be submitted to qualify for licensing.				
5. Is your organization a candidate committee, political committee, political party committee, ballot question committee, independent committee or any other committee as defined by, and organized pursuant to, the Michigan Campaign Finance Act 366 of the Public Acts of 1976, as amended, being sections 169.251 to 169.282 of the Michigan Compiled Laws?				
<input type="checkbox"/> Yes <input type="checkbox"/> No				
6. Has your organization received contributions or made expenditures of \$500 or more in the last calendar year for the purpose of influencing or attempting to influence the action of voters for or against the nomination or election of a candidate, or the qualification, passage, or defeat of a ballot question?				
<input type="checkbox"/> Yes <input type="checkbox"/> No				
7. Provide name, title, home address, and telephone numbers for the PRINCIPAL OFFICER, e.g., president, grand knight, worthy nation, etc., and the vice president or equivalent and one other officer of the organization. SIGNATURE OF PRINCIPAL OFFICER REQUIRED - OR - signature of the vice president or equivalent and one other officer. NOTE: Executive director signature not acceptable.				
Name and Title		Street, City, State, ZIP Code		Telephone Numbers
Principal Officer				Day
Vice				Evening

For the most up-to-date forms and information, visit the Charitable Gaming website at [www.michigan.gov/cg](http://www.michigan.gov/cg).



# Time to Shake Off the Welcome Mat for Non-Smokers?



According to statistics reported by the American Lung Association in their 2006 report *Trends in Tobacco Use*, 37.1% of the adult population smoked in 1974. By 2004 that number decreased to 20.9%. Even though smokers are on the decline and represent a smaller percentage of the general population than ever before, bingo games continue to cater to this group of players. Considering the majority of bingo players smoke, that tends to make sense. However, as the smoking population shrinks, so does the pool of potential new bingo players. If you want to attract new players, it is wise to accommodate the majority of the population.

During FY2005, of the 107 for-profit bingo halls licensed in Michigan, only about one third offered an enclosed smoke-free room or were totally smoke-free. Even though they are obviously in the minority, the handful of bingo games in existence offering accommodations to non-smokers appear to be vibrant and thriving. According to financial data, bingo games offering enclosed smoke-free rooms averaged eight more players per week than bingo games without smoke-free accommodations. The average player at these locations also spent about \$2 more per week than players at bingo occasions that do not offer smoke-free rooms.



The non-smoking room at the Boys & Girls Club of Bay City features an airlock entry.

Occasionally at the halls that provide an enclosed non-smoking area, non-smokers feel unimportant and alienated from the social aspects of the bingo

game. A new player may not return if they feel left out. Consider expanding or improving your smoke-free areas. Non-smoking rooms are not subject to smoke damage, so it is easy to add and keep interior design improvements fresh. If your concession stand is located outside of the non-smoking area, consider having workers take orders and deliver food once or twice during your bingo occasion. Have charity game ticket sellers check on those players frequently. These suggestions as well as your own ideas will help make your non-smokers feel like they are welcome at your bingo game.

Think about how you can get the word out to the public that your bingo hall accommodates non-smokers. Given the smoky reputation that most people have of bingo, it may take time to attract non-smokers. Be patient. In the meanwhile, freshen up your welcome mat and have it ready when new players arrive. If you want to attract new players to bingo, do not forget about the 80% of the general population that does not smoke!



The K of C in Essexville rolls out their mobile lighted board into the non-smoking lounge during bingo. The drawing is viewed on a big-screen TV.

# Success with Tickets at Clubs

Just 32 miles north of Grand Rapids in the city of White Cloud is the Fraternal Order of Eagles 4170. During the first quarter of FY2006, they sold over \$400,000 worth of charity game tickets, beating the number two seller by over \$50,000. And this successful quarter was one of many.

After selling tickets for only two years, the White Cloud Eagles paid off the mortgage on their clubhouse and are purchasing a new sign for their building. They also are able to invest in their local community, including the food bank and many partial college scholarships.

What makes a club successful in selling tickets? An endless number of factors can be considered, such as attendance, player spending, where the club is located, and how much variety is offered.

While we can try to lay out a formula that works for one organization, it may not produce the same results for the next organization. With that in mind, the White Cloud Eagles maintain two six-column ticket machines in which they sell twelve different tickets at a time.



A "People Helping People" wall at the White Cloud Eagles shows the good that comes from ticket proceeds.

While the Eagles sell an average of a box a week on most games, they sell nearly two boxes a week of Michigan Wild (\$5). As a matter of fact, of the twenty-seven clubs with the highest ticket sales in Michigan, only one does not sell Michigan Wild and five do not sell Northern Tracks (\$3). Looking at the other end of the spectrum, on average, clubs that took in less than \$50,000 in charity game ticket sales during that same quarter did not offer \$2, \$3, or \$5 tickets.

## Accounting for the Tickets

Having success with charity game ticket sales is in vain if proceeds don't make it to the bank. This requires appropriate controls be in place. The principal officer should reconcile the tickets each quarter, without the chairperson or recordkeeper, to ensure program integrity (steps 2 & 3). All officers should be aware of and enforce the controls below to provide accountability and ensure a successful program.



1. Each week take a physical inventory and complete the Charity Game Ticket Accountability form (BSL-CG-1362).
2. At the beginning/end of each quarter, count all tickets in inventory and enter into the appropriate Beginning or Ending Inventory column on the Charity Game Ticket Reconciliation form (BSL-CG-1718).
3. Use all the Charity Game Ticket Accountability forms (BSL-CG-1362) for the quarter to help complete the reconciliation form. (Details listed in HIGHLIGHT\$ 2003 Vol. 16, No. 2.)
4. Ensure prizes average 75% per quarter.
5. Limit the access to the ticket machine keys. (Consider how many have access to the office before keeping the keys locked in the office.)
6. Keep an updated list of recently sold ticket serial numbers at the cash register so that tickets from other organizations are not inadvertently redeemed at your location.
7. Reconcile each worker's CGT transactions independently. The value of the redeemed tickets plus the ending start cash should equal the worker's beginning start cash.
8. Once winning tickets are balanced, destroy the tickets immediately. (A bucket of water is a fast and effective method.)

**NOTE:** The Charity Game Ticket Accountability and Reconciliation forms are set up online to do the calculations automatically.

# Administrative Action

Suspended Licenses					
Organization	City	Violation(s)	Length	Date	License
Moose 1157	Rockwood	Failure to account for all funds.	12 weeks	9/18/05	Annual CGT
Elks 1029	Grand Rapids	Failure to maintain accurate/current records; failure to account for all funds.	1 week	11/13/05	Annual CGT
Eagles 3861	Taylor	Failure to maintain game records; failure to submit financial statements; failure to account for all funds.	4 weeks	11/27/05	Annual CGT
VFW 4406	Belding	Failure to maintain accurate/current records; overpayment of workers; failure to account for all funds.	8 weeks	12/4/05	Annual CGT
Eagles 3666	Muskegon	Failure to deposit proceeds timely; failure to account for all funds; hindering or obstructing bureau personnel in the performance of their duties.	10 weeks	12/11/05	Annual CGT
VFW 2326	Grand Haven	Failure to deposit proceeds timely; failure to maintain accurate/current records.	3 weeks	12/11/05	Annual CGT
Eagles 2566	Lincoln Park	Failure to complete or maintain game records; overpayment of workers and worker pay record incomplete; failure to account for all funds.	8 weeks	12/25/05	Annual CGT
American Legion 409 Sons	Allen Park	Worker pay records incomplete; failure to maintain accurate/current records; bingo net proceeds diverted for questionable purposes.	12 weeks	1/8/06	Bingo
Moose 1162	Grayling	Failure to maintain accurate/current records; failure to account for all funds.	6 weeks	1/15/06	Annual CGT
American Legion 454	Colon	Overpayment of workers and/or failure to complete worker pay records; failure to deposit proceeds timely; failure to account for all funds.	10 weeks	1/29/06	Annual CGT
Moose 574	Sturgis	Failure to maintain supporting documentation for expenses; failure to maintain accurate/current game records.	12 weeks	1/29/06	Annual CGT
American Legion 94	Cadillac	Failure to maintain accurate/current records; failure to account for all funds.	6 weeks	2/5/06	Annual CGT
Eagles 4217	Hale	Failure to maintain accurate/current records; failure to account for all funds.	4 weeks	2/12/06	Annual CGT
McKinley PTO	Wyandotte	Failure to maintain accurate/current records; failure to follow the Michigan Progressive Jackpot Bingo Game directive.	2 weeks	2/12/06	Bingo
Eagles 526	Kalamazoo	Michigan Liquor Control Commission violation for illegal gambling (illegal pull tabs and pools).	3 weeks	2/19/06	Bingo
VFW 422	Delton	Failure to maintain accurate/current records; failure to deposit proceeds timely; failure to account for all funds.	7 weeks	3/19/06	Annual CGT
Akiva Hebrew Day School (A21083)	Southfield	Failure to follow the bureau's directive for electronic bingo cards; failure to deposit proceeds timely; failure to maintain accurate/current records; bingo net proceeds diverted for questionable purposes.	3 weeks	4/9/06	Bingo
Akiva Hebrew Day School (A20793)	Southfield	Failure to follow the bureau's directive for electronic bingo cards; failure to deposit proceeds timely; failure to maintain accurate/current records; bingo net proceeds diverted for questionable purposes.	2 weeks	4/9/06	Bingo
Barryton Conservation Club	Barryton	Failure to maintain all game records; conducting unlicensed gaming events; worker pay records incomplete or worker pay excessive; failure to deposit proceeds timely; bingo net proceeds diverted for questionable purposes.	3 weeks	4/9/06	Bingo
Friends of Detroit River (A21454)	Melvindale	Failure to maintain accurate/current records.	2 weeks	4/9/06	Bingo
Friends of Detroit River (A21452)	Melvindale	Failure to maintain accurate/current records.	2 weeks	4/9/06	Bingo
American Committee for Ulster Justice (A21411)	Northville	Failure to maintain accurate/current records.	2 weeks	4/16/06	Bingo
American Committee for Ulster Justice (A04395)	Northville	Failure to maintain accurate/current records.	2 weeks	4/16/06	Bingo
American Committee for Ulster Justice (A21369)	Northville	Failure to maintain accurate/current records.	2 weeks	4/16/06	Bingo
American Committee for Ulster Justice (A21412)	Northville	Failure to maintain accurate/current records.	2 weeks	4/16/06	Bingo
FOP 130	Ferndale	Failure to submit financial statement; failure to follow the bureau's directive for electronic bingo cards; failure to maintain accurate/current records; failure to deposit proceeds timely; bingo net proceeds diverted for questionable purposes.	6 weeks	4/16/06	Bingo

# Administrative Action (cont'd)

Suspended Licenses					
Organization	City	Violation(s)	Length	Date	License
American Legion 447	Wyandotte	Failure to maintain accurate/current records; failure to follow the Michigan Progressive Jackpot Bingo Game directive.	2 weeks	4/30/06	Bingo
Eagles 4463	Mt. Pleasant	Failure to maintain accurate/current records; failure to account for all funds.	2 weeks	4/30/06	Annual CGT
K of C 7011	Sterling Heights	Failure to maintain all game records; failure to follow the bureau's directive for electronic bingo cards.	2 weeks	4/30/06	Bingo
St. Mary Catholic Church	Royal Oak	Failure to have all deposit slips; failure to follow the bureau's directive for electronic bingo cards; failure to maintain accurate/current records; failure to deposit proceeds timely.	2 weeks	5/7/06	Bingo
VFW 4357	Brighton	Failure to maintain financial records; failure to deposit all charity game ticket proceeds; failure to account for all funds.	3 weeks	5/7/06	Annual CGT
Ancient Order of Hibernians State Board	Adrian	Failure to maintain accurate/current records; failure to follow the Michigan Progressive Jackpot Bingo Game directive.	2 weeks	5/21/06	Bingo
Ancient Order of Hibernians State Board	Adrian	Failure to maintain accurate/current records; failure to follow the Michigan Progressive Jackpot Bingo Game directive.	2 weeks	5/21/06	Bingo
Eagles 4076	Highland	Failure to maintain financial records; failure to maintain accurate/current game records; failure to account for all funds.	4 weeks	5/21/06	Annual CGT
Fruitport Band Parents	Muskegon	Failure to maintain accurate/current records; failure to deposit proceeds timely; violated probation.	3 weeks	5/21/06	Bingo
40 et 8 Voiture 767	Harrison	Failure to maintain financial records; failure to maintain accurate/current game records; failure to deposit proceeds timely; failure to account for all funds.	1 week	5/28/06	Annual CGT
Moose 1278	Mt. Clemens	Failure to maintain financial records; failure to maintain accurate/current game records; failure to account for all funds.	6 weeks	5/28/06	Annual CGT
VFW 4159	Roscommon	Checks made payable to "Cash"; failure to maintain accurate/current records; failure to deposit proceeds timely; failure to account for all funds.	1 week	6/4/06	Annual CGT

## Other License Actions

Organization Name	City	Date	License	Status
Twin Lake Civic Association	Twin Lake	7/1/05	Bingo	Surrendered
Dukette Catholic School	Flint	2/28/06	Bingo	Surrendered
Dukette Learning Center	Flint	2/28/06	Bingo	Surrendered
St. Mary Catholic Church	Royal Oak	2/28/06	Bingo	Surrendered

## Legal Actions

### Muskegon Sports Council



Russell Clay Reagan, bingo chairperson, plead guilty to Embezzlement Over \$1,000 and Under \$20,000 and Habitual Offender—3rd Conviction. The 14th Judicial Circuit Court in Muskegon sentenced him to 5 months in jail, 20 months probation, 100 hours community service, work release (20 hours per week), and \$15,285 in fines, court costs, and restitution.

Joann Marie Palo, bingo chairperson, plead guilty to a misdemeanor of Embezzlement of \$200 to \$1,000. The 14th Judicial Circuit Court in Muskegon sentenced her to 18 months probation, 100 hours community service, \$50 to crime victims fund, \$45 in court costs. Ms. Palo also paid \$27,569 in restitution.



## Area Training Sessions

Charitable Gaming inspectors conduct statewide training sessions for licensees covering topics such as recordkeeping, rules, and accountability. We encourage you to attend meetings in your area to stay current on the latest charitable gaming news and requirements.

The following training meetings will cover raffles, millionaire parties, bingo, and charity game tickets. All meetings are scheduled for 1:30 p.m., except where otherwise indicated. This schedule is subject to change. Please check our website at [www.michigan.gov/cg](http://www.michigan.gov/cg) for the most current list of training sessions.

July 12, **2:30 p.m.**  
ARC Downriver  
4212 13th Street  
Wyandotte, MI

August 10  
VFW 2335  
1050 West Main  
Mecosta, MI

September 14  
VFW 4087 Auxiliary  
9474 Lapeer Road  
Davison, MI

October 10  
Paw Paw Lions Club  
227 County Road 665  
Paw Paw, MI

November 14  
Detroit Beach Boat Club  
3028 Harborview  
Monroe, MI

December 6  
Moose 998  
869 East Lincoln Ave  
Ionia, MI

If your organization is interested in hosting an area training session in the future, call Tom Reich at (517) 335-5782.